

D.T.E. 99-90-A

Petition of Commonwealth Electric Company for approval of its Transition Charge Reconciliation Filing and the accompanying tariffs filed pursuant to G.L. c. 164, § 1A(a), 220 C.M.R. § 11.03(4)(e) and D.P.U./D.T.E. 97-111.

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I. INTRODUCTION

On October 27, 1999, pursuant to G.L. c. 164, § 1A(a) and 220 C.M.R.

§ 11.03(4)(e), Commonwealth Electric Company ("Commonwealth" or "Company") filed with the Department of Telecommunications and Energy ("Department") its Transition Charge Reconciliation Filing. The Company also proposed changes in charges for energy efficiency and renewables programs pursuant to G.L. c. 25, §§ 19 and 20. The Company filed proposed tariffs, effective January 1, 2000, that incorporate these proposed charges and adjustments. This filing was docketed as D.T.E. 99-90. Notice was issued to all the participants in Cambridge Electric Light Company, Commonwealth Electric Company, and Canal Electric Company, D.T.E. 97-111 (1998), Cambridge Electric Light Company, Commonwealth Electric Company, and Canal Electric Company, D.T.E. 98-78/83 (1998).⁽¹⁾ A procedural conference was held on November 23, 1999 and a public hearing was held on November 29, 1999.

On December 6, 1999, the Department requested comments from all electric distribution companies on the issues of distribution rate redesign and an appropriate inflation factor for rates effective January 1, 2000. The Department received responses from electric distribution companies, the Attorney General, and the Division of Energy Resources on December 9, 1999.

Upon review of these responses, on December 17, 1999, the Department sent all electric distribution companies a letter that delineated guidelines for distribution companies on distribution rate redesign and inflation adjustment in their 2000 reconciliation filings ("December 17, 1999 Letter"). In response, on December 22, 1999, Commonwealth filed new tariffs to comply with the Department's December 17, 1999 Letter. On December 30, 1999, the Department suspended the Company's proposed rate adjustments until January 14, 2000. Cambridge Electric Light Company/Commonwealth Electric Company, D.T.E. 99-90 (1999) (Order Suspending Tariffs). The Company filed revised tariffs on January 4, 2000, and filed substitute pages for tariffs M.D.T.E. Nos. 455, 457, 458, 463 on January 5, 2000.

As determined by the Department at the procedural conference on November 23, 1999, further investigation into this filing is necessary. The Department finds, however, that the tariffs filed by Commonwealth on January 4 and 5, 2000 for service on and after January 1, 2000 are in compliance with the directives outlined by the Department in its December 17, 1999 Letter, and are in the public interest. The revised tariffs provide a 15 percent rate reduction for all customer classes, adjusted for inflation through June 30, 2000. Consistent with the Department's directives, the inflation adjustment will be reconciled in the Company's next reconciliation filing (December 17, 1999 Letter at 6). The transition charge is subject to reconciliation pursuant to the Department's ongoing investigation in this proceeding.

II. ORDER

After due notice, hearing, and consideration, it is

ORDERED: That the tariffs filed by Commonwealth Electric Company with the Department on October 27, 1999, M.D.T.E. Nos. 452 through and including 466, and revised on January 4 and 5, 2000, for service on and after January 1, 2000 are ALLOWED,

FURTHER ORDERED: That the transition charge for Commonwealth Electric Company is ALLOWED subject to reconciliation pursuant to the Department's investigation; and it is

FURTHER ORDERED: That Commonwealth Electric Company comply with any and all other directives contained in this Order.

By Order of the Department,

Janet Gail Besser, Chair

James Connelly, Commissioner

W. Robert Keating, Commissioner

Paul B. Vasington, Commissioner

Eugene J. Sullivan, Jr., Commissioner

1. Western Massachusetts Electric Company and Fitchburg Gas and Electric Light Company filed motions to intervene on November 24, 1999, which were granted.